

HB 274 House Committee Brief

*For the
House Business & Labor Committee*

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Purpose

Succinctly put, this bill is seeking legislative relief to reduce regulation, administrative burden, and cost to the outfitting industry.

Premise

For the outfitting industry there is currently not only a high cost of regulation as measured by fees but equally a heavy administrative burden placed on the industry for compliance in submitting paperwork, reports and other requirements. The end result is the average licensee is subject to an unsustainable and undue burden.

Process

Process to date has involved the three major outfitting industry associations of Montana, namely: Montana Outfitters & Guides Association (MOGA); Fishing Outfitters Association of Montana (FOAM), and; Professional Wilderness Outfitters Association (PWOA). Between the three associations, more than 80% of the licensed outfitters/guides are represented. Additionally the previous and residing Chairman of the Board of Outfitters, as well DLI and MBO staff have been integrally involved. We started in April, have appeared in front of the Select Committee on Efficiency in Government and the Board of Outfitters. This has gained widespread support and represents a truly collaborative process.

Salient Facts

1. Outfitters & Guides account for a substantial contribution to the tourism economy of Montana. A University of Montana study credits outfitting with annually delivering \$167 million to Montana's economy, providing \$51 million in payroll for nearly 2,600 full-time or seasonal jobs, and \$11.6 million to state and local taxes for road, schools and police.
2. Over the last 20 years due to the migration of Outfitter oversight moving from FWP to Commerce to DLI, there have been several amendments to MCA TITLE 37 CHAPTER 47 or complimentary law that have rendered the surviving elements in the code confusing, contradictory or at times irrelevant
3. There has been an ongoing trend by the DLI and various sitting Boards to increase interpretive and often restrictive administrative rules in an attempt to codify or clarify vagaries in the statute. Unfortunately much of this increased administrative rules have often not improved in any way the

achievement of the overriding purpose of the Board...the protection of the health, safety and welfare of the public.

4. Per the minutes of the Legislative Economic Affairs Interim Committee from the January 2012 meeting:
 - a) The Board of Outfitters has the third highest cost per licensee and has the highest indirect payment percentage
 - b) Licensee total number have dropped from 2,462 FY 2010 to 1,671 FY 2011 or 32%
 - c) With the drop in licensees combined with projected increase in budget for the Board of Outfitters for FY 2012, average price per licensee will increase from \$268 to \$385 or a 44% increase making it the 2nd highest license cost only behind CPAs
 - d) The survey conducted by the Legislative Committee in preparation of the review revealed a resoundingly high level of dissatisfaction with the amount or overregulation of the industry
5. What the many oversight groups do not likely know, of all the licensed industries under DLI jurisdiction, the Outfitting Industry must have amongst the lowest per capita income with an estimated 80% of the 1,671 licensees making less than \$20,000 from outfitting/guide revenue sources

Conclusion

The industry is seeking relief:

- Repeal law that is no longer applicable due to previous statute change
- Revise statute language that is confusing or often gets misinterpreted by administrators or legal staff
- Reduce unnecessary administration, paperwork and record submissions that should assist help to lower the budget and therefore hold or reduce license fees

It is sensible and appropriate to bring the language and intent of Title 37 back into alignment with other licensed industries to improve efficiency, avoid unnecessary governmental administration and right size cost to the cost of licenses for other professions.

Please support HB274 with agreed upon technical correction amendment.

Paperwork Reduction Act
Committee on Business and Labor
LC0568

Board	FY 2010 Expense	FY 2010 Number Licensees	Average Cost per Licensee	Personal Services	Operating	Percent Staff	Direct	Indirect	Percent Indirect
Accountants	\$368,382	695	\$530	\$179,444	\$188,938	49%	\$305,818	\$62,537	17%
Hearing Aid	\$44,231	111	\$398	\$24,221	\$20,010	55%	\$35,328	\$8,931	20%
Outfitters	\$658,896	2,462	\$268	\$349,803	\$309,093	53%	\$517,145	\$135,481	21%
Funeral Service	\$93,713	432	\$217	\$41,971	\$51,742	45%	\$77,094	\$16,619	18%
Chiropractors	\$97,002	511	\$190	\$55,265	\$41,737	57%	\$76,294	\$20,708	20%
Dentistry	\$233,563	1,514	\$154	\$85,153	\$148,410	36%	\$129,243	\$14,746	6%
Pharmacy	\$653,572	4,793	\$136	\$374,707	\$278,865	57%	\$334,785	\$39,922	6%
Optometry	\$27,650	263	\$105	\$16,749	\$4,538	61%	\$16,162	\$5,125	19%
Veterinary Medicine	\$99,017	1,067	\$93	\$50,500	\$48,500	51%	\$80,295	\$18,722	19%
Medical Examiners	\$1,092,553	9,794	\$112	\$509,364	\$113,853	47%	\$901,318	\$191,235	18%

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- Board of Outfitters has third highest cost per licensee served (\$268)
- Highest indirect payment percentage (21%)
- Average price per licensee has increased 44% making it the 3rd highest license cost only behind CPAs and Hearing Aid Dispensers
- The survey conducted by the MOGA Legislative Committee in preparation of the review revealed a resoundingly high level of dissatisfaction with the amount or overregulation of the industry

MOGA is looking for BIG changes:

- Refocus on core mission of the Board of Outfitters
 - Materially reduce amount and level of paperwork
 - Eliminate “hassle” enforcement for petty administrative and unfounded complaints
 - Materially reduce MBO workload & budget, thus holding or reducing license fees

Outfitter Assistant
Committee on Business and Labor
LC0547

Purpose: To create a legal mechanism to address a serious business issue. Currently Outfitters have no immediate remedy to replace a guide in the event of an emergency.

Enables Outfitters to lawfully serve clients in an emergency situation when a guide becomes hurt or unavailable

- Precedence for using Assistants in several other high level licensed industries
 - Medical Assistant
 - Dental Assistant
 - Surgical Assistant

- Common sense practical solution
 - Outfitter supervises and is responsible
 - Limited to 15 day period
 - Clear path to guide licensure beyond 15 days
 - Allows the Outfitter to best manage his/her business